

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**CLOSURE OF THE AIR FORCE FIELD
TRAINING DETACHMENTS**

Report No. 95-268

June 30, 1995

Department of Defense

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Acronym

AETC	Air Education and Training Command
AFB	Air Force Base
FTD	Field Training Detachment



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June 30, 1995

MEMORANDUM FOR ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Audit Report on the Closure of the Air Force Field Training Detachments
(Report No. 95-268)

We are providing this final report for your review and comments. The audit was performed in response to allegations received from the Defense Hotline. Management comments on a draft of this report were considered in preparing the final report.

The Air Force comments and action in response to the draft report were responsive and no further comments are required at this time. A separate request will be made later this year for a copy of the agreed-upon economic analysis, details on the revised plan, and input on the net monetary benefit of implementing the audit recommendation.

We appreciate the courtesies extended to the audit staff. If you have any questions on this report, please contact Mr. John Gannon, Audit Program Director, at (703) 604-9427 (DSN 664-9427) or Mr. Hassan Soliman, Audit Project Manager, at (703) 604-9188 (DSN 664-9188). Appendix E lists the distribution of this report. The audit team members are listed on the inside back cover.

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Office of the Inspector General, DoD

Report No. 95-268
(Project No. 5LB-8003)

June 30, 1995

CLOSURE OF THE AIR FORCE FIELD TRAINING DETACHMENTS

EXECUTIVE SUMMARY

Introduction. The audit was performed in response to allegations received from the Defense Hotline. The allegations indicated that maintenance personnel will have to travel to an Air Education and Training Command center for training, instead of attending the training locally at a field training detachment. The allegations indicated that the Air Force actions would result in unnecessary expenditure of significant travel and facilities construction funds, in addition to increasing the burden of individual training on the operational commanders.

Objectives. The audit objectives were to determine the validity of the allegations, and to evaluate the effectiveness of the Air Force initiative to close the field training detachments and transfer their functions to two Air Education and Training Command centers and a number of maintenance training flights. We also evaluated the effectiveness of applicable management controls related to the field training detachments closure decision.

Audit Results. Allegations that the Air Force planned to close all the field training detachments and transfer their functions to two Air Education and Training Command centers and a number of maintenance training flights were partially substantiated (see Appendix A). The Air Force's initial plan would have cost an estimated \$85.7 million for facilities and other nonrecurring costs, and \$35.2 million annually for the travel-to-school costs, without clear benefit. Additionally, the burden on operational commanders to provide individual training would have increased while the quality of training would have decreased. We identified no material management controls weaknesses. See Part I for a discussion of management controls reviewed.

On January 25, 1995, we requested the Air Force to temporarily suspend closure of the field training detachments until completion of the audit. In response, the Air Force promptly suspended all closures and selected an alternative plan to reduce the number of field training detachments. The Air Force action to stop field training detachment closure and select another plan is commendable. However, the Air Force still needs to complete an economic analysis for the selected plan (see Part II).

Potential Benefits of Audit. If the closure is fully reexamined, including alternative training plans, the Air Force will realize up to \$103.7 million in funds to put to better use in FY 1996 through FY 2001. See Appendix C for a summary of potential benefits resulting from audit.

Summary of Recommendations. We recommend that the Air Force perform an economic analysis to determine whether the currently selected alternative is the most effective and efficient plan to satisfy training requirements.

Management Comments. The Air Force stated that the Air Education and Training Command has been tasked to complete the recommended economic analysis by October 1, 1995. See Part II for a discussion of management comments and Part IV for the complete text of management comments.

Audit Response. We considered the Air Force comments responsive.

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Part I - Introduction

Background

Allegations. We performed this audit in response to allegations received from the Defense Hotline. The allegations indicated that in response to an Air Force initiative, field training detachments (FTDs) are being closed, which will result in unnecessary expenditure of significant travel and facilities construction funds, in addition to increasing the burden of individual training on the operational commanders.

The Year-of-Training Initiatives. The Air Force Chief of Staff Program Action Directive 93-1, "The Year-of-Training Initiatives," April 15, 1993, approved 20 initiatives affecting Air Force training. The initiatives were recommended by an Air Force Quality Training Task Group with objectives to improve the quality of education and training programs. One of the initiatives required the closure and replacement of FTDs. Cost reduction was not a stated objective of Program Action Directive 93-1.

The Function of Field Training Detachments. The FTDs are Air Education and Training Command (AETC) detachments located at selected bases of operating commands. All FTDs report to a central commander at Sheppard Air Force Base (AFB), Texas. Air Force recruits attend higher level skill training at an FTD after they complete basic military training and basic skills and knowledge training at a technical training center. FTDs give Air Force personnel on-site training designed to support the system assigned to the base on which a particular FTD is located. During FY 1994, 58,479 Air Force personnel were trained at various FTDs.

Closure of Field Training Detachments. Before April 1993, 62 FTDs were open. In October 1994, the total work force authorizations for the 62 FTDs was 1,328 personnel including instructors, headquarters, and administrative personnel. The FY 1994 estimated cost at the authorized work force level of 1,328 was about \$50 million. However, the actual work force was 1,029. As of November 1994, 13 FTDs had been closed, and 21 were renamed unit training flights and were combined with the maintenance training flight of the host command of the bases where they were located. Under the Air Force initiative, in FY 1995, 2 FTDs were scheduled for closure, 8 were scheduled for closure in FYs 1996 and 1997, and the remaining 18 were scheduled for closure in FY 1998. Appendix B shows the planned reallocation of the 1,328 authorizations after the final closure of FTDs in FY 1998 under the Air Force's original plan. With the closure of all FTDs by FY 1998, the FTD function would have been replaced with two AETC centers, one at Sheppard AFB, and the other at Keesler AFB, Mississippi, and a number of maintenance training flights. Unit training flights are established at those bases in which the density and cost of the supported aircraft precluded providing an aircraft, such as the B-2 bomber or the E-3 Airborne Warning and Control System platform, as training equipment at an AETC center.

Audit Objectives

The audit objectives were to determine the validity of the allegations, and to evaluate the effectiveness of the Air Force initiative to close the FTDs and transfer their functions to two AETC centers and a number of maintenance training flights. We also evaluated the effectiveness of applicable management controls related to the FTDs closure decision.

Scope and Methodology

Review of Records. We reviewed and evaluated correspondence, records, and other documents covering the period from July 1991 through March 1995. Our review included applicable funding documents for FYs 1996 through 2001, the FTD closure status reports, prior allegations in letters to members of the U.S. Senate and the U.S. Congress, student workload records, and other documents related to the training function. We interviewed the source of the allegations as well as cognizant officers, enlisted, and civilian personnel involved in or affected by training at the offices of the Air Force Deputy Chief of Staff, AETC, the Air Combat Command, and their subordinate commands. However, we did not evaluate the current alternative FTDs regionalization plan selected by the Air Force in its March 3, 1995, memorandum during the closing stages of the audit.

We did not use statistical sampling procedures to conduct this audit. We used computer-processed data; however, we did not validate the accuracy of those data (average cost of travel to school per student) because the Air Force Audit Agency found them reliable in January and in June 1994, and the nonvalidated data did not materially affect our conclusion and recommendation.

Auditing Standards. This economy and efficiency audit was made from October 1994 through February 1995 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD, and accordingly included such tests of management controls as were considered necessary. Organizations visited or contacted during the audit are in Appendix D.

Management Controls

Adequacy of Management Controls. We evaluated the effectiveness of management controls that were applicable to planning and implementing the decision to close the FTDs by examining the specific Air Force regulations addressing the establishment and deactivation of FTDs, the coordination of actions affecting existing or new training systems, and the requirement to conduct cost and economic analysis and the applicable criteria and thresholds.

Introduction

We also considered the nonrecurring nature of the decision to close the FTDs in our audit. We identified no material management controls weaknesses as defined by DoD Directive 5010.38, "Internal Management Controls Program," April 14, 1987.

Adequacy of the Management Controls Self-Evaluation Process. We also evaluated the Air Force implementation of the management controls self-evaluation process for FY 1994 as it applied to decisions to deactivate training systems, such as the FTDs, and the requirement to conduct cost and economic analysis for decisions involving significant fund requirements. We reviewed the applicable parts of the management controls program implementation at the Office of the Air Force Deputy Chief of Staff (Personnel) and at AETC, which are the organizations involved in originating and implementing the FTDs closure decision. We also considered the nonrecurring nature of the decision to close the FTDs in our audit.

The Air Force identified the functions of the Directorate of Personnel Programs, Education, and Training, at the Office of the Air Force Deputy Chief of Staff (Personnel) as assessable units with low risk. AETC identified its financial analysis function as a low risk. Because of the low risk rating assigned, neither organizations performed detailed applicable management controls reviews. In FY 1994, neither the Director of the Air Force Personnel Programs, Education and Training, nor the Commander of AETC reported any material management controls deficiencies. We concluded that the management controls self-evaluation process, as it related to the audit objectives, was effectively implemented.

Prior Audits and Other Reviews

No related audits were performed on the closure or potential closure of the FTDs in the past 5 years.

Part II - Finding and Recommendation

Closure of the Field Training Detachments

The Air Force planned to close and transfer the function of the field training detachments to two AETC centers and maintenance training flights without adequately evaluating the cost impact and the operational efficiency of its decision. The condition occurred because the Air Force did not consider the cost and benefits of the closure initiative as required by DoD directive and Air Force regulation; and it did not coordinate the closure initiative with the major commands that were affected. As a result, the Air Force would have unnecessarily spent an estimated \$85.7 million for facilities and other nonrecurring costs, and \$35.2 million annually for travel-to-school costs, without a clear benefit. Additionally, the burden of individual training on operational commanders would have increased, and the quality of training would have decreased. However, the Air Force has since suspended the closure decision, and is developing an alternative plan to avoid the adverse aspects of its original plan.

Background

Air Force Implementation of DoD Guidance. DoD Directive 1322.18, "Military Training," January 1987, requires the Military Departments to provide training programs that satisfy mission-generated training requirements while using the most efficient method possible. Air Force Policy Directive 36-22, "Military Training," September 1993, specifies that the most efficient method possible should be used to satisfy training requirements. Air Force Regulation 50-22, "TDY-To-School, Special Skill Training," February 1982, and Air Force Instruction 36-2232, "Maintenance Training," May 1994, specify that temporary duty to school is expensive and that training must be managed at the minimum cost especially for temporary duty and travel. Also, Air Force Regulation 50-8, "Policy and Guidance for Instructional System Development," April 1989, requires coordination with the Air Force major commands when making decisions regarding existing training programs to ensure the most cost-effective mix of training including field training. Additionally, the regulations require cost and economic analyses to support Air Force resource allocation decisions. Specifically, Air Force Instruction 65-501, "Economic Analysis," June 1994, states that an economic analysis is required when deciding whether to commit resources to a new program with total investment costs of more than \$1 million or annual recurring costs of more than \$200,000. For military construction, the threshold is \$2 million.

Air Force Directive to Reduce the Field Training Detachments. In May 1991, the Air Force Chief of Staff directed a 50-percent reduction of all FTDs. At that time, the work force consisted of 1,844 personnel at 90 FTDs. The reduction did not occur. In November 1992, the direction changed to close all FTDs, and in April 1993, the Air Force Chief of Staff approved a closure initiative. The general objective was to take advantage of new technologies and newly structured formal training. Several representatives of headquarters and major commands of the Air Force stated that cost was not a concern in planning, implementing, and completing the closure initiative by FY 1998.

Allegations Previously Submitted to Congress. Between February and July 1994, the source of the allegations in this report and another individual submitted the same allegations to various members of Congress. The Air Force nonconcurred with those allegations; and in its response to Congress, stated that the closure initiative is an efficient way to achieve a standardized education and training structure. According to the Air Force, the ultimate goal of the initiative was to relieve the combat commands of as much individual training as practical. As a result of our audit, and upon reexamination of the data available to it, the Air Force stopped the closure of FTDs and selected another plan. The Air Force believes the new plan satisfies its objectives effectively and efficiently. We did not review the new plan.

Assignment of a Task Group to Implement the FTD Initiative. The Air Force assigned the implementation of the FTD closure initiative to a group composed of representatives from all the commands that would be affected. The task group determined that training for certain aircraft at 21 bases could not be provided at the two AETC centers because of the low density and criticality of aircraft such as the B-2 bomber and the E-3 Airborne Warning and Control System platform. The Air Force decided to continue such training at the assigned FTDs. The FTDs were renamed unit training flights, and became part of the host commands' existing maintenance training flights. Of the 779 courses taught by FTD personnel, 388 (50 percent of courses, but 25 percent of student work load) will be taught by the host command personnel at 21 bases. The task group also determined that 12 percent of the courses taught by the FTD personnel were low demand courses and could either be taught by the major commands or deleted from the training program.

Reallocating the Field Training Detachment Work Force Authorizations. A work force panel of the task group reallocated 1,154 FTD authorizations to the organizations that would gain the training functions; as of October 1994, the task group determined that 174 FTD authorizations were excess to training needs. (See Appendix B for details on the reallocation of the work force.) The Air Force, therefore, estimated recurring savings from the 174 positions at \$5.7 million annually. However, in December 1994, the work force panel reexamined the course work load of the maintenance training flights, the two

Closure of the Field Training Detachments

AETC centers, and the Air Force Reserve and Air National Guard weapon system conversion training requirements. Only 65 authorizations were identified as unneeded.

Cost Analysis and Air Force Objectives

The Air Force was planning to close the FTDs and transfer their function to two AETC centers and maintenance training flights without adequately evaluating the cost impact and the operational effectiveness of its decision, and without coordinating the closure initiative with the affected major commands, as required by Air Force regulations. The main objective of the initiative was to free the operational commands of the burden of individual training, to enhance training, and to support the "one base, one boss" concept.

Economic Analysis. The Air Force did not perform an adequate economic analysis before making its decision to close the FTDs, as required by DoD Directive 1322.18 and Air Force Instruction 65-501. Senior representatives of the Education and Training Division of the Office of the Air Force Deputy Chief of Staff (Personnel) stated that no cost and benefit analyses were completed to determine the effectiveness and efficiency of the initiative. No analyses were completed because cost was not an issue in the decision and implementation process. We requested a copy of the Air Force study that was mentioned in the year-of-training policy directive as the basis for the Air Force Chief of Staff's approval of the initiative to identify and evaluate any applicable analyses performed by the Air Force. Air Force representatives were unable to provide a copy of the study.

Cost Analysis Completed by the AETC. In October 1994, the Financial Management Directorate at AETC estimated the cost of implementing the closure initiative. Our examination of elements of the cost analysis showed that costs were significantly understated and that related data were inaccurate. The following table details the cost analysis.

Cost Analysis of FTD Closure Initiative

<u>Cost Element</u>	<u>Cost (\$ in millions)</u>	
	<u>AETC</u>	<u>Audit</u>
Facilities construction costs	\$36.7	\$58.0
Other nonrecurring costs	21.9	23.8
Training equipment moving costs	0.0	3.9
Total nonrecurring costs	\$58.6	\$85.7

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<u>Cost Element</u>	<u>Cost (\$ in millions)</u>	
	<u>AETC</u>	<u>Audit</u>
Annual travel-to-school costs	\$17.6	\$35.2
Annual savings from unneeded FTD work force authorizations	5.7	2.1
<u>Element</u>	<u>Other Analysis Elements</u>	
	<u>AETC</u>	<u>Audit</u>
Number of unneeded FTD work force authorizations after FTD closure	174	65
Payback period for total nonrecurring costs only	10 years	41 years

The facilities construction costs, other nonrecurring costs, and the travel-to-school costs were understated; the cost to move training equipment was excluded; recurring savings from unneeded FTD work force were overstated; the payback period was too short; and other training plans and effectiveness of the closure were not considered.

Facilities Construction Cost. The \$36.7 million facilities construction costs included in the analysis were understated because AETC did not properly escalate the costs (as explained later in the discussion on payback period), and because it assumed that half the students would not show up for training thus reducing the dormitory space requirement by 50 percent. As required by Air Force Instruction 32-1024, "Standard Facility Requirements," May 1994, dormitory space requirements are to be based on the student work load. Air Force major commands provided their student work load. There was no indication that the major commands providing students for training concurred with AETC in the assumption that only half of the nominal requirement should be considered when sizing the facilities. The cost to meet the requirement could be as high as \$58 million.

Other Nonrecurring Costs. The AETC included in its analysis \$21.9 million for miscellaneous nonrecurring costs, such as start up costs, cost of equipment purchased for the initial courses, and cost of travel to attend the FTDs closure task force meetings. Although the escalated costs were available in the AETC records, AETC did not use the escalated costs in its analysis. The properly escalated, other nonrecurring costs would be \$23.8 million.

Annual Travel-to-School Cost. The \$21.3 million annual recurring costs included \$17.6 million for travel-to-school costs, and \$3.7 million for other recurring costs. The annual travel-to-school costs of \$17.6 million included in the analysis were understated because AETC assumed that half the students would not show up for training, and thus reduced the costs

Closure of the Field Training Detachments

by 50 percent. There was no indication that the major commands providing students for training concurred with the AETC conclusion that they would send only half of the total students to training. The adjusted estimated travel-to-school costs was \$35.2 million.

Training Equipment Moving Cost. The analysis did not include the nonrecurring cost of moving training equipment from the closed FTDs to Sheppard and Keesler AFBs. We estimated that the Air Force would incur costs of \$3.9 million for moving the training equipment.

Recurring Savings from Unneeded FTD Work Force. In December 1994, the FTD work force panel reevaluated the 174 unneeded FTD work force authorizations included in the AETC analysis. Only 65 authorizations were identified as unneeded. AETC determined that the savings from the 174 authorizations would be \$5.7 million, by applying an average cost per authorization. We derived the cost of the unneeded 65 authorizations at \$2.1 million, by prorating the \$5.7 million estimated by AETC for the 174 authorizations (\$5.7 million divided by 174 authorizations times 65 authorizations equals \$2.1 million).

Payback Period. The AETC calculated a 10-year payback period to recover the \$58.6 million investment in facilities and other nonrecurring costs, by dividing the \$58.6 million by \$5.7 million of annual savings from 174 unneeded FTD work force authorizations. Using the same methodology, we calculated that the payback period would be 41 years (\$85.7 million adjusted total nonrecurring costs divided by \$2.1 million adjusted work force saving, equals 41 years) instead of 10 years, if:

- o facilities were properly escalated and the planned student work load was included,
- o the other nonrecurring costs were properly escalated,
- o the estimated equipment movement costs were included, and
- o the claimed recurring work force savings were adjusted to reflect the updated figures we obtained during the audit. However, when the travel-to-school costs are included in the calculation, the payback period will be so long that it becomes meaningless.

The Air Force discounted the facilities and nonrecurring costs to the FY 1993 price level thus understating the costs. Because the cost analysis did not compare multiple options, the costs would have been presented more accurately if they had been escalated to the respective years instead of discounted to the

FY 1993 price level. DoD Instruction 7041.3, "Economic Analysis and Program Evaluation for Resource Management," October 1972, exempts evaluations that contain no cost comparisons from discounting procedures.

Other Training Plans and Effectiveness of the Drawdown. The analysis did not include alternative training plans, such as reducing the number of FTDs, as originally contemplated by the Air Force Chief of Staff. It also did not include an assessment of the effectiveness of the closures in achieving the stated Air Force objectives.

Individual Training Burden of Operational Commands. The closure of FTDs would have increased the individual training burden of operational commands. Air Force personnel stated that the Mission-Ready Technician Program will free the operational commands to concentrate on mission demands. Air Force representatives at AETC and the Air Combat Command, however, stated that individual training responsibilities would have been added to the operational commands because of the closure of the FTD.

Mission-Ready Technician Program. The Mission-Ready Technician Program is an AETC program designed to reduce the fighting commands' burden of individual training. Under the program, a new technician will learn additional aircraft maintenance tasks at AETC centers before being assigned to an operating base. The benefit of such program is that new technicians are ready to work without the need for additional training upon arrival at their new bases. The additional training was moved from the operating command to AETC schools. However, mission-ready technician training is apprentice level training, which is not taught at FTDs. FTDs are predominantly involved in training at the journeyman level, which is the next higher level. Therefore, the Mission-Ready Technician Program is not a substitute for the FTD function. In a March 21, 1995 memorandum, the Air Force stated that the Mission-Ready Technician Program was never intended to replace training conducted by the FTDs.

Current Operational Commands Involvement in Individual Training. The operational wings are involved in individual training through their maintenance training flights. For example, 783 personnel are authorized in the maintenance training flights of the Air Combat Command. Those flights are managed under Air Combat Command Regulation 50-2, "ACC Aircraft Maintenance Training Program," March 1993, which emphasizes avoidance of duplication of function with the FTDs. The maintenance training flight is the operational wings' single point of contact for aircraft maintenance training and reports to the wing commander. Besides handling all the wing administrative aspects of training, maintenance training flights develop; manage; and conduct selective task oriented training for aircraft maintenance personnel including on-the-job training.

Closure of the Field Training Detachments

Maintenance training flights manage the Aircraft Maintenance Qualification Program, which is comprised of a number of training phases. The FTDs satisfy only one of those phases that includes training at the journeyman level. Unlike maintenance training flights, FTDs do not report to the host wing commander. FTDs provide training to Air Force maintenance personnel, but maintenance training flights determine personnel training requirements.

Operational Commands Increased Training Burden Concerns. The operational commands were concerned that the closure of FTDs would increase the burden of individual training. FTDs represented a flexible source of training on base, where students could be scheduled or rescheduled for training on a short notice, to avoid conflicts with the demands of deployments and exercises when maintenance personnel are on temporary duty elsewhere for long periods. To avoid the nonavailability of technicians and travel costs, due to travel to and schooling at the training centers at Sheppard and Keesler AFBs, senior officers at the operational commands believed that they would have to create their own training organizations and thus absorb an additional training burden. Another reason for creating training organizations at the operational commands was the uncertainty about funds availability for the travel-to-school requirements. AETC estimated unfunded travel-to-school requirements at \$53.1 million for FYs 1996 through 2001.

Enhancement of Training. The Air Force year-of-training goal of enhancing training through the closure of FTDs would not have been justifiable or achievable. The Air Force expectations that training would be enhanced because the closure of FTDs allows the Air Force to take advantage of new training technologies and newly structured formal training would not have occurred. Other factors that would have decreased the quality of training are negative effects on training standardization and conducting training on equipment versions different from those at the operational commands. Considering the significant costs involved, the Air Force plans would not have justified the closure of all FTDs.

New Training Technologies and Newly Structured Formal Training. The task group examined all 779 FTD courses to determine which ones could be taught through exportable training methods. The task group concluded that only 47 (6 percent) courses were candidates for teaching through exportable training methods, such as remote video terminals. While the efficiency of exportable training is a step in the right direction, we believe such training will not justify the complete closure of FTDs. Additionally, no appreciable relationship existed between the other year-of-training initiatives to restructure the Air Force training system and the closure of FTDs.

The closure of FTDs was not a prerequisite for implementation of the other 19 year-of-training initiatives. For example, 10 initiatives either required military and civilian personnel to attend training or changed the criteria required

to attend the training. The changes were not relevant to FTDs. Four other initiatives changed training requirements for officers and other ranks not applicable to the role of FTDs. Additionally, another four initiatives addressed civilian and chaplain training that is not relevant to the role of FTDs. The remaining initiative required preparation of education and training plans for Air Force specialties and equivalent civilian occupations.

Standardization of Education and Training Organizational Structure. Standardization of education and training organizational structure would not have been achievable because of different maintenance training standards and rules among and within the major commands. Before the FTDs closure initiative, FTDs managed the training and course curriculum based on guidance from AETC headquarters. Under the FTDs closure initiative, procedures required that each major command gaining a maintenance training flight manage its own curriculum. Therefore, AETC could not have enforced Air Force training standards. Additionally, the operational commands losing their FTDs believed that the lack of funding of the travel-to-school costs, and the perceived loss of flexibility that FTDs once offered, would have driven those commands to form their informal training organizations. The assurance that those informal training organizations would have been managed according to Air Force training standards was not guaranteed.

Training on the Same Weapon Systems Used at the Operational Commands. If training at AETC centers was not conducted on the same type of weapon systems in use at the operational commands, then the full benefit of centralized training would not have been achieved. As the aircraft hardware and software at the operational commands are upgraded, the same aircraft used as training equipment at AETC centers must receive the same upgrades. For example, several models and blocks of the F-15 and F-16 aircraft exist. If training for those aircraft is to be centralized, the variations should be considered, otherwise, newly trained technician would not use the same equipment at his or her assignment base that was used in training.

"One Base, One Boss" Concept. Closure of FTDs in support of the "one base, one boss" concept would not have ensured complete implementation of that concept. Under the "one base, one boss" concept, all organizations on a particular base report to the commander of that base. However, the Air Force Chief of Staff Program Action Directive 93-1 did not go that far. Air Force organizational documents at 14 AFBs indicated that in addition to other DoD, Army, Navy, and civilian organizations, each base had, on average, 7 Air Force organizations that did not report to the base commander. An example of an exception was the maintenance training that AETC personnel will conduct for the C-5 aircraft at Dover AFB, which is an air mobility command base. Training did not deteriorate because FTDs were part of AETC and did not report to the host command. We believe if the objective was to support the

Closure of the Field Training Detachments

"one base, one boss" concept, then the Air Force could have considered an option whereby all FTDs would become part of the host command thus avoiding the unnecessary facilities and travel costs involved in the closure of FTDs.

Required Economic Analysis and Coordination with Major Commands

The Air Force originally decided to close FTDs although an adequate economic analysis was not performed as required by DoD directive and Air Force regulations. Had the cost and benefits of the decision been considered in advance, the Air Force would have realized that the original decision was uneconomical, inefficient, and had potential detrimental impacts on the quality of training and operational readiness. Other pitfalls of the closure initiative would have been disclosed had the Air Force coordinated the original decision with the major commands that would have been affected before implementing the decision. Air Force Regulation 50-8, requires coordination with the major commands on issues affecting training. The task group meetings were not a forum to discuss the feasibility of the closures or other alternatives, but to coordinate the actions necessary to execute the closure decision. We believe that if sufficient coordination with the major commands and an adequate study were done before the initiative was approved, then a better alternative would have been identified.

Potential Results of Original Air Force FTD Closure Plan

The original Air Force decision to close all FTDs would have been the least economical and operationally effective decision. The Air Force would have unnecessarily spent an estimated \$85.7 million for facilities and other nonrecurring requirements, and \$35.2 million annually for the travel-to-school costs, without a clear benefit. Of the estimated costs, the Air Force programmed \$68.2 million in FYs 1996 through 1999, and projected \$35.5 million for FYs 2000 and 2001. In addition to the potential questionable use of resources, the original plan would have had undesirable effects on the quality of training. However, the Air Force is developing an alternative which may avoid past problems with the original plan and result in more cost-effective, high quality training.

Air Force Management Actions

On January 25, 1995, we requested that the Air Force Deputy Chief of Staff (Personnel) suspend the implementation of the FTD closure initiative until our audit was completed. On March 3, 1995, the Air Force responded and stated that it suspended the closure of the FTDs on January 26, 1995, and that the original plan is being modified to reduce the number of FTDs. The Air Force stated that the new plan preserves the effectiveness and efficiencies of the FTD concept, while allowing the Air Force to benefit from other training initiatives. Subsequent discussions with Air Force representatives indicated that the Air Force has not yet performed an economic analysis for the new plan.

Summary

The principal theme of the allegations was partially substantiated. The Air Force's original plan to close FTDs and provide training at Sheppard and Keesler AFBs was not the most cost-effective alternative to enhance training. The Air Force stopped the closure of FTDs, and is now developing a plan to reduce the number of FTDs while preserving the effectiveness and efficiencies of FTD concept and allowing the Air Force to benefit from other training initiatives. While the recent Air Force actions are commendable, the Air Force needs to perform a comprehensive economic analysis for the new plan in order to avoid mistakes related to the original plan.

Recommendation, Management Comments, and Audit Response

We recommend that the Air Force Deputy Chief of Staff (Personnel) direct that the Air Education and Training Command perform an economic analysis for the alternative plan identified in the Air Force March 3, 1995, memorandum to the Deputy Assistant Inspector General for Auditing.

Closure of the Field Training Detachments

Management Comments. The Directorate of Personnel Programs, Education and Training tasked the Air Education and Training Command to complete the recommended economic analysis. The analysis will be complete by October 1, 1995.

Audit Response. We considered the Air Force action responsive. We will request the Assistant Inspector General (Analysis and Followup) to track the status of the agreed-upon action and obtain a copy of the economic analysis, details of the revised plan, and information on the net monetary benefit to the Air Force of implementing the audit recommendation and adopting the revised plan.

Part III - Additional Information

Appendix A. Audit Response to Allegations

In response to allegations received from the Defense Hotline, we evaluated the Air Force decision to close and replace FTDs with two AETC training centers and maintenance training flights. The general theme of the allegations was partially substantiated. The Air Force actions would have resulted in significant unnecessary costs for facilities construction and travel, in addition to increasing the burden of individual training on the operational commanders.

Allegation 1. Millions of dollars will be spent for unnecessary construction of dormitories, classrooms, and travel costs.

a. Moving the C-5 aircraft training to Altus AFB, Oklahoma, will cost \$2.9 million (travel and per diem, upgrading a maintenance building, and training and supporting new instructors). Additionally, start up costs, dormitories, and dining facilities construction costs, and the cost to move training equipment to Altus AFB will have to be incurred.

b. Costs similar to those of the C-5 aircraft will be incurred at Sheppard and Keesler AFBs for the other aircraft because classes will be diverted to those two locations. For example, \$4 million will be incurred annually for travel cost for the U.S. Air Forces, Europe and the U.S. Pacific Air Forces.

Audit Evaluation. Allegation 1.a. was partially substantiated. However, it is no longer an issue because training for the C-5 aircraft will not be conducted at Altus AFB. The Air Force determined that it would be cost-effective to contract out the training at Altus AFB, and provide C-5 aircraft training by military instructors at another location that is to be determined. However, \$196,000 was expended for the upgrade of various facilities at Altus AFB before that decision was made.

Allegation 1.b. was generally substantiated. As FTDs are closed, students will have to travel to Keesler and Sheppard AFBs to attend training. This will cost an estimated, potentially avoidable, \$85.7 million for facilities construction and other nonrecurring costs, in addition to an annual \$35.2 million of travel costs.

o \$549,400 has already been expended for facilities upgrade at Keesler AFB and no further expenses are anticipated.

o The AETC estimated \$36.7 million for facilities construction costs at Sheppard AFBs (classes, hangers, and dormitories) to meet the needs of incoming students. When this figure is adjusted to reflect the planned student work load, the estimated cost will be \$51.7 million, which may be avoided if students continue receiving training at their assigned base.

Appendix A. Audit Response to Allegations

o The AETC estimated \$17.6 million annually for the cost of travel to the schools at Sheppard and Keesler AFBs for all the commands requiring training. When these costs are adjusted upwards to reflect the planned student work load, estimated annual travel-to-school cost will be \$35.2 million that may be avoided if students continue receiving training at their assigned base (see comments on availability of funds in discussing allegation 6. later in this appendix).

Allegation 2. A valuable, responsive training resource will be eliminated, for example:

a. Instructions were given to Sheppard AFB to eliminate courses with small backlog. As a result, some students in need of those courses will not get the training because of the closure of FTDs.

b. United States Air Forces, Europe determined that replacing the current system will be less advantageous from a personnel availability and mission flexibility perspective.

o Contingency and exercise deployment limit the ability to send personnel for training.

o Loss of work force hours to temporary duty travel will be tremendous.

o Units will likely be forced to request waivers or will not attend critical training.

o The new concept of training personnel while in travel status to their new base is not realistic because class schedules do not match rotation dates.

Audit Evaluation. Allegation 2.a. was not substantiated. The instruction to the 982nd Air Training Group at Sheppard AFB to eliminate courses with low demand was the result of a collective review. Participants in the review represented the major commands using the training and representatives from AETC. The FTDs teaching those courses were in the process of delivering the course material to the host command, which will teach the courses using their own resources. AETC Instruction 36-2203, "Technical Training Development," October 1994, requires that courses be reviewed annually to identify the ones with low demand for disposition.

Allegation 2.b. was substantiated. A study prepared by the U.S. Air Forces, Europe and the U.S. Pacific Air Forces reflected concern that replacing FTDs will be less advantageous from a personnel availability and mission flexibility perspective. The concerns were shared by the Air Combat Command and the Air Mobility Command.

Appendix A. Audit Response to Allegations

The study corroborated our findings that FTDs represented a flexible training tool because they are located on base. Sending students to class or rescheduling a planned training due to mission demands can be accomplished with relative ease while that flexibility is lost when students travel to Sheppard or Keesler AFBs for training. Although the concerns of the U.S. Air Forces, Europe and the U.S. Pacific Air Forces were justified, the Air Force did not exempt those commands from the closure policy for consistency in the application of the FTDs closure directive.

Allegation 3. Eliminating the FTDs will require local commanders' resources to supervise newly established maintenance training flights.

Audit Evaluation. The allegation was not substantiated. During the closure process, the Air Force found that FTDs at 21 locations could not be closed and training must continue on the host base because the assigned aircraft could not be dedicated as training equipment at the new training centers at Sheppard and Keesler AFBs. The FTDs were renamed Unit Training Flights, and were combined with maintenance training flights of the host commands. The host command retained the assigned work force of FTDs. However, because an additional function has been added to the command, some additional management oversight would be expected.

Allegation 4. The needed Air Mobility Command's mission operational C-5 and C-141 aircraft will have to be diverted for use in a newly established training location at Altus AFB.

Audit Evaluation. The allegation was not substantiated. It is not an issue because training for the C-5 and the C-141 aircraft will no longer be conducted at Altus AFB. The Air Force determined that it would be cost-effective to contract out the training at Altus AFB, and provide training for C-5 and C-141 aircraft by military instructors at other locations. Representatives of AETC informed us that training for the C-5 aircraft will be conducted by AETC at Dover AFB. The C-5 aircraft is considered one of those aircraft that cannot be assigned to an AETC for the sole purpose of training.

Allegation 5. Additional costs will have to be incurred for moving and training new instructors because not all the instructors will be willing to move from the closed FTDs to Sheppard and Keesler AFBs. Other instructors will have to be assigned to Sheppard and Keesler AFBs and they will need to be trained. Similarly, costs will have to be incurred for moving the training equipment from the closed FTDs to Sheppard and Keesler AFBs.

Audit Evaluation. The allegation that additional cost will have to be incurred for moving and training new instructors was not substantiated. Whether FTDs are closed or not, some instructors will retire and others will transfer to other assignments and they will have to be replaced. Under the FTD system, those instructors would be replaced by other military personnel, with sufficient relevant experience, from the host

Appendix A. Audit Response to Allegations

base maintenance organization. When FTDs are closed, the same pool of qualified mechanics will be used from which to select replacements for the instructors.

The allegation that additional cost will have to be incurred for moving training equipment from FTDs to Sheppard and Keesler AFBs was generally substantiated. The Air Force estimated that between 325 and 353 items of training equipment will have to be moved from the closed FTDs to Keesler and Sheppard AFBs. However, several variables affect the cost of the move. For example, weight and volume, special handling requirements, and the departure location of the shipment affect the cost of the move. As an order of magnitude, the Air Force representatives estimated the cost of the move at \$3.9 million.

Allegation 6. Fiscal controls will be inadequate in implementing the transition, because personnel given the responsibility of carrying out the Chief of Staff's plan were told they have an open checkbook to make this happen.

Audit Evaluation. The essence of the allegation was partially substantiated. The writer implied that fiscal controls were irrelevant for the initiative. A number of Air Force officials indicated that cost was not an issue in implementing the initiative. The Air Force implemented the FTDs closure plan without cost or economic analysis. However, we believe that considering the significant estimated costs of implementing the initiative and the absence of clear benefit, cost and funding should be important factors.

Several of the major operational commands were concerned that funding would not be available for the cost of travel to school under the initiative. Of the major commands, the Air Combat Command; the Air Mobility Command; U.S. Air Forces, Europe; and the U.S. Pacific Air Forces, based their concerns on a briefing by representatives of the Office of the Air Force Deputy Chief of Staff (Personnel). The minutes of the task group meetings and financial data confirmed the major commands concerns.

Based on our discussions with several Air Force representatives, the potential lack of funding would force the major commands either to fund the travel cost from their own budgets, or to develop additional in-house training capabilities. The latter alternative, and the one likely to occur, would put the burden of individual training on the war fighting commands.

The year-of-training programmed and projected funding for FYs 1996 through 2001 did not include funds for implementing the FTDs closure initiative. However, a funding balance of \$103.7 million was identified in the year-of-training projected funding for FYs 1996 through 2001. The funds were available from some of the other 19 training initiatives. Of that amount, \$68.2 million was programmed for FYs 1996 through 1999, and \$35.5 million was projected for FYs 2000 and 2001. The \$103.7 million was used to partially fund the cost of travel to school requirements caused by the closure of FTDs. AETC estimated unfunded travel to school requirements at \$53.1 million for FYs 1996 through 2001.

Appendix B. Reallocation of FTD Work Force Under Original Air Force Plan

	<u>No. of Positions</u>	<u>Percent</u>
<u>Authorized reallocations:</u>		
New maintenance training flights (at the major commands)	513	39
Two AETC centers (at Sheppard and Keesler AFBs)	470	35
Managing exportable training (through remote video terminals)	83	6
National Guard and Reserve	<u>88</u>	7
Reallocated authorizations	1,154	
Unneeded balance*	<u>174</u>	13
Total	1,328	

* Equated to a recurring savings of \$5.7 million by the Air Force. Subsequent AETC figures show that only 65 authorizations would have been saved.

Appendix C. Summary of Potential Benefits Resulting From Audit

Recommendation Reference	Description of Benefit	Amount and/or Type of Benefit
	Economy and Efficiency. The Air Force will have an economic analysis that identifies the most efficient aircraft maintenance training plan.	Funds put to better use. Up to \$103.7 million of costs will be avoided during FYs 1996 through 2001, in the Air Force Operation and Maintenance Appropriation Fund, 3400 (Program Element, 84731)*

* The \$103.7 million includes \$68.2 million programmed for FYs 1996 through 1999, and \$35.5 million projected for FYs 2000 and 2001. However, the final achievable potential monetary benefits would be the difference between the \$103.7 million, and the reduced costs of the new plan selected by the Air Force.

Appendix D. Organizations Visited or Contacted

Office of the Secretary of Defense

Office of the Deputy Under Secretary of Defense (Logistics), Washington, DC
Office of the Deputy Under Secretary of Defense (Readiness), Washington, DC

Department of the Air Force

Office of the Deputy Assistant Secretary (Force Management and Personnel),
Washington, DC
Office of the Deputy Chief of Staff (Personnel), Washington, DC
Office of the Deputy Chief of Staff (Logistics), Washington, DC
Headquarters, Air Force Air Combat Command, Langley AFB, Virginia
Headquarters, Air Force Air Education and Training Command, Randolph AFB, Texas
Headquarters, U.S. Air Force, Pacific, Hickam AFB, Hawaii
Headquarters, 1st Fighter Wing, Langley AFB, Virginia
Headquarters, 82nd Air Force Training Wing, Sheppard AFB, Texas

Appendix E. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Deputy Comptroller (Program/Budget)
Deputy Under Secretary of Defense (Logistics)
Deputy Under Secretary of Defense (Readiness)
Assistant to the Secretary of Defense (Public Affairs)
Director, Defense Logistics Studies Information Exchange

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistance Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, National Security Agency

Non-Defense Federal Organizations and Individuals

Office of Management and Budget

U.S. General Accounting Office

National Security and International Affairs Division Technical Information Center

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations

Senate Subcommittee on Defense, Committee on Appropriations

Senate Committee on Armed Services

Senate Committee on Governmental Affairs

House Committee on Appropriations

House Subcommittee on National Security, Committee on Appropriations

House Committee on Government Reform and Oversight

House Subcommittee on National Security, International Affairs, and Criminal Justice,

Committee on Government Reform and Oversight

House Committee on National Security

Part IV - Management Comments

Department of the Air Force Comments



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

16 June 1995

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE


FROM: HQ USAF/DPPE
1040 Air Force Pentagon
Washington DC 20330-1040

SUBJECT: Closure of the Air Force Field Training Detachments, 18 Apr 95, Project No. 5LB-8003

This is in reply to your memorandum requesting the Assistant Secretary of the Air Force (Financial Management and Comptroller) to provide Air Force comments on subject report.

We have tasked HQ AETC to complete an economic analysis as recommended in the audit report. In response, HQ AETC states the analysis will be complete 1 Oct 95. This will allow for completion of planning between AETC and the using MAJCOMs, and the economic analysis based on the agreed-upon positioning of the regional sites.

Please have your staff direct any questions to Capt Steele at (202) 697-2827.


RAYMOND C. CHAPMAN, JR., Col, USAF
Chief, Education and Training Division
Directorate of Personnel Programs,
Education and Training

Attachment:
HQ AETC/TTR Memo, 17 May 95

cc:
SAF/FMPF
HQ AETC/TTR
HQ USAF/DPE



DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND

MEMORANDUM FOR HQ USAF/DPPE

17 MAY 1995

FROM: HQ AETC/TTR
244 F Street East Suite 2
Randolph AFB TX 78150-4321

SUBJECT: DoD IG Draft Audit Report Response (Ref your Memo, 27 Apr 95)

We have reviewed your request for a formal economic analysis of FTD Regionalization. After consulting with our financial and technical experts, we cannot meet your 17 May 95 suspense. This effort involves several staff and field agencies and may require up to 90 days. Request a new suspense of 20 Sep 95. Our POC is Major Osborne. HQ AETC/TTRS. DSN 487-2784.

A handwritten signature in cursive script, reading "Mary B. Hamlin".

MARY B. HAMLIN, Colonel, USAF
Chief, Resources Division
Directorate of Technical Training

cc: AETC/FMP
/FMA

Audit Team Members

This report was prepared by the Logistics Support Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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Christian Hendricks
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Hassan Soliman
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